



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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April 7, 2011

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **KEDREN COMMUNITY MENTAL HEALTH CENTER CONTRACT
REVIEW – A DEPARTMENT OF MENTAL HEALTH SERVICE
PROVIDER**

We completed a program and fiscal contract compliance review of Kedren Community Mental Health Center (Kedren or Agency), a Department of Mental Health (DMH) service provider. The purpose of our review was to determine whether Kedren complied with its contract terms and appropriately accounted for and spent DMH Program funds providing the services outlined in their County contract. Services include interviewing program clients, assessing their mental health needs, and developing and implementing a treatment plan.

DMH paid Kedren on a cost-reimbursement basis or approximately \$27 million and \$26 million for Fiscal Years (FY) 2008-09 and 2009-10, respectively. The Agency's office is located in the Second District.

Results of Review

Kedren maintained documentation to support the service minutes sampled and staff assigned to the County contract possessed the required qualifications. The Agency also maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner. However, Kedren charged \$50,141 in questioned costs to DMH and did not always comply with the County contract requirements. Specifically, Kedren:

- Charged DMH \$13,698 (\$11,505 + \$2,193) for penalties and late fees. The County contract does not allow Agencies to charge fines and penalties to the DMH Program.

Kedren's attached response indicated that the Agency submitted their revised Cost Reports to DMH to reduce the program expenditures by the \$13,698.

- Charged DMH \$7,117 for non-program related expenditures. Specifically, Kedren charged DMH \$7,117 for clients' stolen welfare checks while the checks were in the Agency's custody.

Kedren's attached response indicated that the Agency submitted their revised Cost Report to DMH to reduce the program expenditures by the \$7,117.

- Charged DMH \$26,973 in FY 2007-08 for gift cards, taxi vouchers and amusement park tickets that were purchased or used in FY 2008-09.

Kedren's attached response indicated that the Agency submitted their revised Cost Report to DMH to reduce the program expenditures by the \$26,973.

- Charged DMH \$2,353 for gifts and tokens purchased for the DMH clients without receipts or an invoice and documentation to support that the clients received the items.

Kedren's attached response indicated that the Agency submitted their revised Cost Reports to DMH to reduce the program expenditures by the \$2,353.

- Did not complete some elements of the participants' Assessments, Client Care Plans, Progress Notes, Weekly Summaries and Informed Consent in accordance with the County contract requirements.

Kedren's attached response indicated that the Agency provided trainings to Agency staff and implemented new procedures to ensure that the Assessments, Client Care Plans, Progress Notes, Weekly Summaries and Informed Consent are completed in accordance with the County contract requirements.

We have attached the details of our review along with recommendations for corrective action.

Review of Report

We discussed the results of our review with Kedren and DMH. In their attached response, the Agency agreed with our findings and recommendations. DMH will ensure that the recommendations are implemented.

Board of Supervisors

April 7, 2011

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We thank Kedren management for their cooperation and assistance during our review. Please call me if you have any questions or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JET:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Dorothy Tucker, Chairperson, Board of Directors, Kedren
John H. Griffith, Ph.D., President and CEO, Kedren
Public Information Office
Audit Committee

**DEPARTMENT OF MENTAL HEALTH
KEDREN COMMUNITY MENTAL HEALTH CENTER
FISCAL YEARS 2008-09 AND 2009-10**

BILLED SERVICES

Objective

Determine whether Kedren Community Mental Health Center (Kedren or Agency) provided the services billed in accordance with their County contract with the Department of Mental Health (DMH).

Verification

We selected 60 billings totaling 8,445 minutes from 1,262,959 service minutes and ten full-day billings from 327 of service days of approved Medi-Cal billings for October and November 2008. We reviewed the Assessments, Client Care Plans, Progress Notes, Weekly Summaries and Informed Consent maintained in the clients' charts for the selected billings. The 8,445 minutes and ten days represent services provided to 38 program participants.

Results

Kedren maintained documentation to support the billed service minutes. However, the Agency did not complete some elements of the Assessments, Client Care Plans, Progress Notes, Weekly Summaries and Informed Consent in accordance with the County contract requirements. Specifically:

Assessments

Kedren did not adequately describe the symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the given diagnosis for 15 (39%) of the 38 clients sampled on their Assessments. An Assessment is a diagnostic tool used to document the clinical evaluation of each client and establish the client's mental health treatment needs. The County contract requires Agencies to follow DSM when diagnosing clients.

Client Care Plans

Kedren did not complete the Client Care Plans for 23 (61%) of the 38 clients sampled in accordance with the County contract. Specifically, the Client Care Plans did not contain specific and measurable/quantifiable goals.

Progress Notes

The Agency did not complete 11 (18%) of the 60 Progress Notes reviewed in accordance with the County contract. Specifically:

- Three Progress Notes for the Mental Health Services did not describe what the clients or service staff attempted and/or accomplished towards the clients' goals. This finding was also noted in the prior year's monitoring review.
- Four Progress Notes for Targeted Case Management Services did not describe linkage and/or consultation, placements services or plan development.
- Four Progress Notes for the Medication Support Services did not indicate that the clients were questioned about side effects, response to medication and medication compliance.

Day Treatment Weekly Summaries

None of the ten Weekly Summaries sampled contained all the required information. Specifically, none of the Weekly Summaries:

- Described clients' participation within the activities.
- Described what the clients or service staff attempted and/or accomplished towards the clients' goals.
- Documented at least one contact with a legally responsible adult during the month, as required by the County contract.

Informed Consent

Kedren did not document the Informed Consent in the client's chart for two (20%) of the ten clients sampled, in which the client received treatment with psychotropic medication. Informed Consent is the client's agreement to a proposed course of treatment based on receiving clear, understandable information about the treatments' potential benefits and risks.

Recommendations**Kedren management:**

- 1. Ensure that Assessments, Client Care Plans, Progress Notes and Weekly Summaries are completed in accordance with the County contract.**

2. **Ensure that monthly contacts with the legal guardians of Day Treatment Program clients are documented in their charts.**
3. **Ensure that Informed Consent is obtained and documented in the client's chart prior to treatment with psychotropic medication.**

STAFFING LEVELS

Objective

Determine whether Kedren maintained the appropriate staff to client ratio of 1:8 in its Day Treatment Program as required by the County contract.

Verification

We selected ten days that Kedren billed for the Day Treatment Program in October and November 2008 and reviewed the clients and staff sign-in sheets and staff timecards.

Results

Kedren met the staffing ratio requirements for all ten days sampled.

Recommendation

None.

STAFFING QUALIFICATIONS

Objective

Determine whether Kedren's treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 15 of the 75 Kedren treatment staff who provided services to DMH clients during October and November 2008.

Results

Each employee in our sample possessed the qualifications required to provide the services billed.

Recommendation

None.

CASH/REVENUE

Objective

Determine whether cash receipts and revenue were properly recorded in the Agency's financial records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash and other liquid assets.

Verification

We interviewed Kedren's management and reviewed the Agency's financial records. We also reviewed three bank reconciliations for October 2010.

Results

Kedren maintained adequate controls to ensure that revenue, cash and liquid assets were properly recorded and deposited in a timely manner.

Recommendation

None.

COST ALLOCATION PLAN

Objective

Determine whether Kedren's Cost Allocation Plan is prepared in compliance with the County contract and used to appropriately allocate shared program expenditures.

We did not perform test work in this area, as Kedren did not bill DMH for shared expenditures.

Recommendation

None.

EXPENDITURES

Objective

Determine whether non-salaried program expenditures were allowable under the County contract, properly documented and accurately charged to the DMH Program.

For Fiscal Year (FY) 2008-09, Kedren incurred approximately \$7.9 million in non-salaried related expenditures.

Verification

We reviewed financial records and documentation to support \$481,798 non-salaried expenditures charged to the DMH Program between July 2007 and January 2009. In addition, we reviewed two DMH expenditures totaling \$8,166 in June 2010.

Results

Kedren charged DMH \$50,141 in questioned costs. Specifically, Kedren charged DMH:

- \$11,505 and \$2,193 in FYs 2007-08 and 2008-09, respectively, for penalties and late fees. The County contract does not allow Agencies to charge fines and penalties to the DMH Program.
- \$7,117 in FY 2008-09 for non-program related expenditures. Specifically, Kedren charged DMH \$7,117 for clients' stolen welfare checks while the checks were in the Agency's custody. Agency management indicated that Kedren received welfare checks on behalf of the DMH clients and the checks were stolen on the way to the bank.
- \$26,973 in FY 2007-08 for prepaid expenditures that incurred in FY 2008-09. Specifically, Kedren charged DMH \$26,973 for gift cards, taxi vouchers and amusement park tickets that were either purchased or used in FY 2008-09.
- \$1,000 and \$1,353 in FYs 2007-08 and 2008-09, respectively, for gifts and amusement park tokens without receipts or documentation to support that the DMH clients received the items.

During the contract year, DMH pays Kedren a negotiated rate for their cost-reimbursement contract. At the end of the contract year, if the Agency's revenues exceed the actual expenditures on their Cost Report, the Agency must repay DMH for the excess amount received.

Recommendations

Kedren management:

4. **Reduce the FY 2007-08 and 2008-09 Cost Reports by \$38,478 (\$11,505 + \$26,973) and \$9,310 (\$2,193 + \$7,117), respectively, and repay DMH for any excess amounts received.**

5. Repay or provide supporting documentation for the \$2,353 in unsupported costs or reduce the FYs 2007-08 and 2008-09 Cost Reports, respectively.
6. Ensure that only allowable expenditures are charged to the DMH Program.
7. Record the program expenditures in the program year they incur.
8. Ensure that program expenditures are supported by adequate documentation.

FIXED ASSETS

Objective

Determine whether fixed assets depreciation costs charged to DMH were allowable under the County contract, properly documented and accurately billed.

Verification

We interviewed staff and reviewed the Agency's financial records related to fixed assets. In addition, we reviewed the fixed assets with depreciation costs of \$19,893 that the Agency charged to the DMH Program during FY 2007-08.

Results

The depreciation costs charged to DMH were allowable, properly documented and accurately billed.

Recommendation

None.

PAYROLL AND PERSONNEL

Objective

Determine whether payroll expenditures were appropriately charged to the DMH Program. In addition, determine whether personnel files are maintained as required.

Verification

We traced the payroll expenditures for two employees totaling \$5,932 to the payroll records and time reports for the pay period ending June 5, 2010. We also interviewed two employees and reviewed their personnel files.

Results

Kedren's payroll expenditures were appropriately charged to the DMH Program. In addition, the Agency maintained the personnel files as required.

Recommendation

None.

COST REPORT

Objective

Determine whether Kedren's FY 2009-10 Cost Report reconciled to the Agency's accounting records.

Verification

We traced the Agency's FY 2009-10 DMH Cost Report to the Agency's accounting records.

Results

Kedren's Cost Report reconciled to the Agency's accounting records.

Recommendation

None.



**KEDREN
ACUTE PSYCHIATRIC HOSPITAL
AND
COMMUNITY MENTAL HEALTH CENTER**

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Website: Kedreninc.com

JAMES L. JONES, M.D.
Founder (1926-1971)

February 24, 2011

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President/CEO

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Wendy L. Watanabe,
Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 525
Los Angeles, California 90012-3873

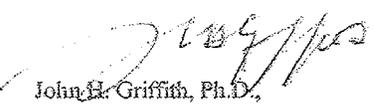
Re: **Kedren Community Mental Health Center (Kedren)**
Program and Fiscal Compliance Review

Dear Ms. Watanabe:

Please find included herewith response to the Program and Fiscal Review conducted by your department

Please direct any arising questions to the attention of the undersigned.

I am,
Yours sincerely,


John H. Griffith, Ph.D.,
President/CEO
Kedren Community Health Center, Inc.

Cc: Susan Kim, CPA – Principal Accountant Auditor
Department of Auditor-Controller
Don Chadwick, CPA, Division Chief
Department of Auditor-Controller
Yolanda Whittington, LCSW
District Chief - Service Area 6
Rizwan Uraizee, CPA, CFO
Kedren Community Health Center, Inc.
Kathy Gibbons, MS
Chairperson, Kedren Board of Directors

DEPARTMENT OF MENTAL HEALTH
KEDREN COMMUNITY MENTAL HEALTH CENTER
FISCAL YEARS 2008-09 AND 2009-10

BACKGROUND/PURPOSE

The Department of Mental Health (DMH) contracts with Kedren Community Mental Health Center (Kedren or Agency), a private, for-profit, community-based organization that provides services to clients in all Service Planning Areas. Services include interviewing program clients, assessing their mental health needs, and developing and implementing a treatment plan.

The purpose of our review was to determine whether Kedren complied with its contract terms and appropriately accounted for and spent DMH program funds providing the services outlined in their County contract. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines. In addition, we interviewed Agency staff.

BILLED SERVICES

Objective

Determine whether Kedren provided the services billed in accordance with their County contract with DMH.

Verification

We selected 60 billings totaling 8,445 minutes from 1,262,959 service minutes and ten full-day billings from 327 of service days of approved Medi-Cal billings for October and November 2008. We reviewed the Assessments, Client Care Plans, Progress Notes and Weekly Summaries maintained in the clients' charts for the selected billings. The 8,445 minutes and ten days represent services provided to 38 program participants.

Results

Kedren maintained documentation to support the billed service minutes. However, the Agency did not complete some elements of the Assessments, Client Care Plans, Progress Notes and Weekly Summaries in accordance with the County contract requirements. Specifically:

Assessments

Kedren did not adequately describe the symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the given diagnosis for 15 (39%) of the 38 clients sampled on their Assessments. An Assessment is a diagnostic tool used to document the clinical evaluation of each client and establish

Kedren Community Mental Health Center

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the client's mental health treatment needs. The County contract requires Agencies to follow DSM when diagnosing clients.

Client Care Plans

Kedren did not complete the Client Care Plans for 23 (61%) of 38 clients sampled in accordance with the County contract. Specifically, the Client Care Plans contained did not contain specific and measurable/quantifiable goals.

Progress Notes

The Agency did not complete 11 (18%) of the 60 Progress Notes reviewed in accordance with the County contract. Specifically:

- Three Progress Notes for the Mental Health Services did not describe what the clients or service staff attempted and/or accomplished towards the clients' goals. This finding was also noted in the prior year's monitoring review.
- Four Progress Notes for Targeted Case Management Services did not describe linkage and /or consultation, placements services or plan development.
- Four Progress Note for the Medication Support Services did not indicate that the client was questioned about side effects, response to medication and medication compliance.

Day Treatment Weekly Summaries

None of the ten Weekly Summaries sampled contained all required information. Specifically, none of the Weekly Summaries:

- Described clients' participation within the activities.
- Described what the clients or service staff attempted and/or accomplished towards the clients' goals.
- Documented at least one contact with a legally responsible adult during the month, as required by the County contract.

Informed Consent

Kedren did not document the Informed Consent in the client's chart for two (20%) of ten clients sampled, in which the client received treatment with psychotropic medication. Informed Consent is the client's agreement to a proposed course of treatment based on receiving clear, understandable information about the treatments' potential benefits and risks.

Kedren Community Mental Health Center

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Recommendations

Kedren management:

1. Ensure that Assessments, Client Care Plans, Progress Notes and Weekly Summaries are completed in accordance with the County contract.
2. Ensure that monthly contacts with the legal guardians of Day Treatment Program clients are documented in their charts.
3. Ensure that Informed Consent is obtained and documented in the client's chart prior to treatment with psychotropic medication.

Kedren Response

To ensure that Assessments, Client Care Plans, Progress Notes and Weekly Summaries are completed in accordance with the Los Angeles County, Department of Mental Health Contract, Kedren implemented and completed the following:

1. Documentation training for all clinical departments focusing on clinical assessment and diagnoses, treatment planning focused on behavioral planning to establish measurable goals and objectives aimed at addressing the medically necessary reasons for admission to treatment and continued stay.

The schedule of trainings held in 2009 for clinicians and case managers was as follows:

- Progress Note Writing – 1/22/2009
- Determining Medical Necessity – 2/12/2009
- DMH Documentation – 2/17/2009
- Treatment Planning – 4/2/2009
- Assessment and Treatment Planning – 4/6/2009, 4/7/2009, 4/9/2009, 4/14/2009, and 4/28/2009
- Assessment and Treatment Planning – 4/28/2009
- Determining Medical Necessity – 5/7/2009
- DMH Documentation – 5/12/2009
- Progress Note Writing – 5/21/2009
- Determining Medical Necessity – 8/4/2009
- Progress Note Writing – 8/18/2009

1(a) Staff Trainings for Adult Full Service Partnership staff was conducted as follows:

- Determining Medical Necessity and Assessment – 9/14/2009, 9/21/2009
- Treatment Planning – 9/28/2009, 10/5/2009, 20/21/2009
- Determining Medical Necessity – 10/6/2009

Kedren Community Mental Health Center

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- Progress Note Writing – 10/10/2009, 20/26/2009, 11/2/20009
 - Review and Practicum – 11/9/2009, 11/16/2009
 - Progress Note Writing – 11/24/2009
2. Monthly contacts with legal guardians of Day Treatment Clients are documented on the “Children Day Treatment Program Monthly Caregiver/Collateral Contact Form” included herewith as Attachment One. Resulting activities are monitored ongoing by the program manager.
 3. Treatment with Psychotropic Medications Informed Consent. In addition to completing the medication consent form with authorized consent from, client or legal guardian, physicians are now required to indicate on the prescription pads that such consent has been secured. The prescription and the signed copy of the consent are given to client or legal guardian. The pharmacy service delivered from Kedren has been advised by the Executive Committee of the medical staff not to dispense medications for minors, in the absence of a signed medication consent form.

These procedures were recently approved by the Medical Executive Committee in January 2011 and will be fully implemented on March 1, 2011.

In addition, Utilization Review for all out patient services occurs weekly, during which time records are reviewed for compliance with documentation standards, and feedback and training were given individually and departmentally as indicated.

STAFFING LEVELS

Objective

Determine whether Kedren met the staffing levels requirements for DTI Program in accordance with the County contract.

Verification

We selected ten days that Kedren billed for DTI Program in October and November 2008 and reviewed the clients and staff sign-in sheets and staff timecards.

Results

Kedren met the staff ratio requirements for all ten days tested.

Recommendation

None.

STAFFING QUALIFICATIONS

Objective

Determine whether Kedren's treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 15 of the 75 Kedren treatment staff who provided services to DMH clients during October and November 2008.

Results

Each employee in our sample possessed the qualifications required to provide the services billed.

Recommendation

None.

CASH/REVENUE

Objective

Determine whether cash receipts and revenue were properly recorded in the Agency's financial records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash and other liquid assets.

Verification

We interviewed Kedren's management and reviewed the Agency's financial records. We also reviewed three bank reconciliations for October 2010.

Results

Kedren maintained adequate controls to ensure that revenue, cash and liquid assets were properly recorded and deposited in a timely manner.

Recommendation

None.

COST ALLOCATION PLAN

Objective

Determine whether Kedren's Cost Allocation Plan is prepared in compliance with the County contract and the Agency used the Plan to allocate appropriately shared program expenditures.

We did not perform test work in this area, as Kedren did not share costs with the Agency's non-DMH programs.

Recommendation

None.

EXPENDITURES

Objective

Determine whether program expenditures were allowable under the County contract, properly documented and accurately charged to the DMH program.

Verification

We reviewed financial records and documentation to support 55 non-payroll expenditure transactions totaling \$481,798 charged to the DMH program between July 2007 and January 2009. In addition, we reviewed two DMH expenditures totaling \$8,166 in June 2010.

Results

Kedren charged DMH \$50,141 in questioned costs. Specifically, Kedren charged DMH:

- \$11,505 and \$2,193 in FYs 2007-08 and 2008-09, respectively, for penalties and late fees. The County contract does not allow Agencies to charge fines and penalties to the DMH program.
- \$7,117 in FY 2008-09 for non-program related expenditures. Specifically, Kedren reimbursed DMH clients \$7,117 for their stolen welfare checks while in the Agency's custody. Agency management indicated that Kedren received welfare checks on behalf of the DMH clients. However, the checks were stolen on the way to bank.
- \$26,973 in FY 2007-08 for prepaid expenditures that incurred in the following FY. Specifically, Kedren charged DMH \$26,973 for gift cards, taxi vouchers and amusement park tickets that were either purchased or used in FY 2008-09. In addition, Kedren did not reduce their program expenditures by \$470 for receiving discount for purchasing gift cards.

Kedren Community Mental Health Center

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- \$1,000 and \$1,353 in FYs 2007-08 and 2008-09, respectively, for gifts and amusement park tokens without receipts or documentation to support that the DMH clients received the items.

During the contract year, DMH pays Kedren a negotiated rate for their cost-reimbursement contract. At the end of the contract year, if the Agency's revenues exceed the actual expenditures on their Cost Report, the Agency must repay DMH for the excess amount received.

Recommendations

Kedren management:

4. Reduce the FY 2007-08 and 2008-09 Cost Reports by \$38,478 (\$11,505 + \$26,973) and \$9,310 (\$2,193 + \$7,117), respectively, and repay DMH for any excess amounts received.
5. Provide supporting documentation for the \$2,353 in unsupported costs or reduce the FYs 2007-08 and 2008-09 Cost Reports, respectively.
6. Ensure that only allowable expenditures are charged to the DMH program.
7. Record the program expenditures in the program year they incur.
8. Ensure that program expenditures are supported by adequate documentation.

Kedren Response

4. Cost Reports for FY 2007-2008 has been revised and submitted to DMH to reflect the \$38,478 (\$11,505 and \$26,973) adjustment. Cost Report for FY 2008-2009 has been revised and submitted to DMH to reflect the \$9,310 (\$2,193 AND \$7,117) adjustment.
5. Cost Reports for FY 2007-2008 has been revised and submitted to DMH to reflect the \$1,000 adjustment. Cost Report for FY 2008-2009 has been revised and submitted to DMH to reflect the \$1,353 adjustment.
6. Since the 2009 review, the Department of Mental Health (DMH) published an approved list of allowable expenditures which are followed by all programs with Flex Funds Allocation. In addition, Kedren obtains prior approval from the DMH program personnel for any exceptional items before a check request is submitted to the accounting department. Requests not satisfying these requirements are rejected.
7. Program staff, have been in-serviced relative to the importance of capturing all program costs for each fiscal year in a timely manner. Planning sessions to address flex funds allocations and expenditures are now occurring on a monthly basis.

Kedren Community Mental Health Center

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8. Clients are required to sign receipts for items purchased in their behalf. All original copies will be kept on file.

PAYROLL AND PERSONNEL

Objective

Determine whether payroll expenditures were appropriately charged to the DMH Program. In addition, determine whether personnel files are maintained as required.

Verification

We traced the payroll expenditures for two employees totaling \$5,932 to the payroll records and time reports for the pay period ending June 5, 2010. We also interviewed two employees and reviewed their personnel files.

Results

Kedren's payroll expenditures were appropriately charged to the DMH program. In addition, the Agency maintained the personnel files as required.

Recommendation

None.

COST REPORT

Objective

Determine whether Kedren's FY 2009-10 Cost Report reconciled to the Agency's accounting records.

Verification

We traced the Agency's FY 2009-10 DMH Cost Report to the Agency's accounting records.

Results

Kedren's Cost Report reconciled to the Agency's accounting records.

Recommendation

None.

*AUDITOR-CONTROLLER
COUNTY OF LOS ANGELES*

Kedren Community Mental Health Center

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FIXED ASSETS

Objective

Determine whether fixed assets depreciation costs charged to DMH were allowable under the County contract, properly documented and accurately billed.

Verification

We interviewed staff and reviewed the Agency's financial records related to fixed assets. In addition, we reviewed with depreciation costs of \$19,893 that the Agency charged to the DMH program during FY 2007-08.

Results

The depreciation costs charged to DMH were allowable, properly documented and accurately billed.

Recommendation

None.

